Unofficial Copy F2 HB 826/02 - APP 2003 Regular Session 3lr2178 CF HB 30

By: Senators Hogan and Kasemeyer

Introduced and read first time: January 31, 2003

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

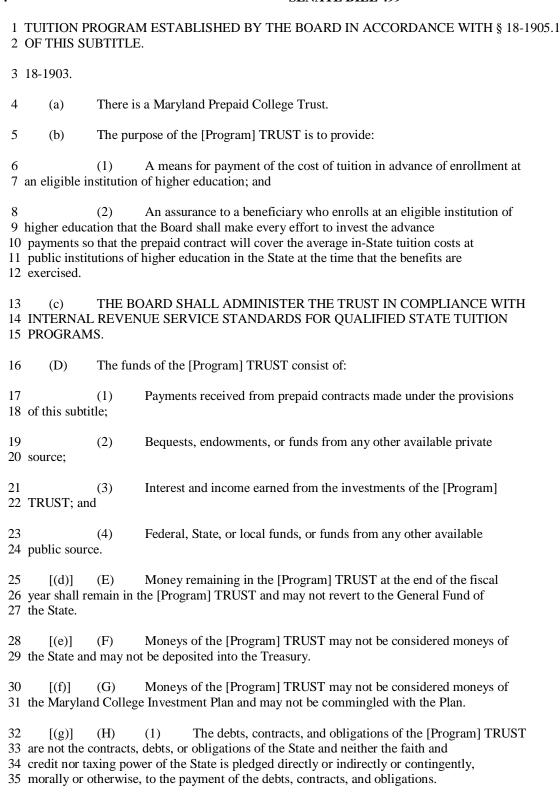
2 College Savings Plans of Maryland

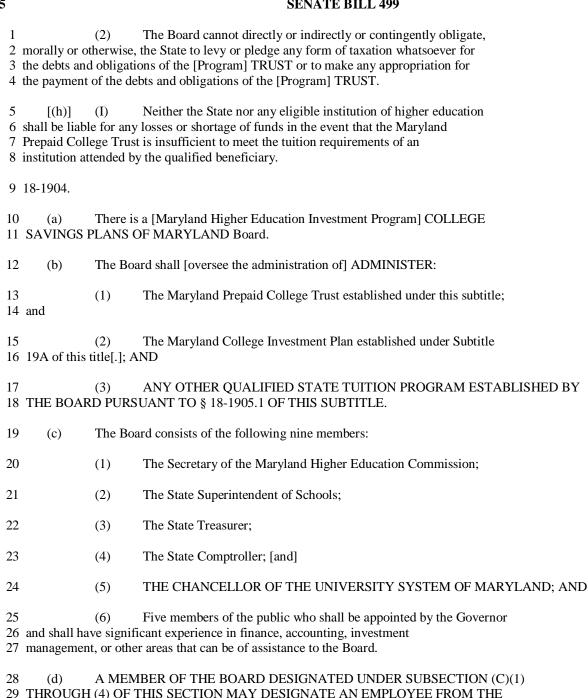
3	FOR the purpose of	of establishing the	College Savings	s Plans of Mai	ryland which include

- 4 certain existing tuition programs and certain additional State tuition programs
- 5 under certain circumstances; clarifying the purpose of the College Savings Plans
- 6 of Maryland; changing the name of the Maryland Higher Education Investment
- 7 Board to the College Savings Plans of Maryland Board; altering the duties and
- 8 responsibilities of the Board; authorizing Board members to designate a
- 9 representative under certain circumstances; authorizing the Board to create
- additional qualified State tuition programs under certain circumstances and
- subject to certain requirements; providing that the College Savings Plans, the
- Board, and investment accounts are not subject to certain provisions of law;
- requiring certain custodians to deny the inspection of certain public records
- under certain circumstances; authorizing the inspection of certain public
- records; requiring certain disclosures; altering certain terms; clarifying certain
- definitions; providing for the application of this Act; and generally relating to
- the College Savings Plans of Maryland.
- 18 BY repealing and reenacting, with amendments,
- 19 Article Education
- 20 Section 18-1901, 18-1903 through 18-1906.1, 18-1907 through 18-1913,
- 21 18-1916, 18-19A-01, 18-19A-02, 18-19A-04, 18-19A-05, and 18-19A-07
- 22 Annotated Code of Maryland
- 23 (2001 Replacement Volume and 2002 Supplement)
- 24 BY adding to
- 25 Article Education
- 26 Section 18-1902.1, 18-1905.1, 18-19A-05.1, and 18-19A-06.1
- 27 Annotated Code of Maryland
- 28 (2001 Replacement Volume and 2002 Supplement)
- 29 BY repealing and reenacting, without amendments,
- 30 Article State Government
- 31 Section 10-616(a)

1 2	Annotated Code of Maryland (1999 Replacement Volume and 2002 Supplement)
4 5 6 7	BY repealing and reenacting, with amendments, Article - State Government Section 10-616(n) Annotated Code of Maryland (1999 Replacement Volume and 2002 Supplement) BY repealing and reenacting, with amendments,
9 10 11	Chapter 110 of the Acts of the General Assembly of 1997, as amended by
12 13 14 15	Chapter 494 of the Acts of the General Assembly of 2000
16 17	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
18	Article - Education
19	18-1901.
20	(a) In this subtitle the following words have the meanings indicated.
21 22	(b) "Board" means the [Maryland Higher Education Investment Board] COLLEGE SAVINGS PLANS OF MARYLAND BOARD.
23 24	(c) "Current prepaid contract obligations" means the scheduled payments due for the next fiscal year under existing prepaid contracts.
25 26	(d) "Eligible institution of higher education" means an institution of higher education that:
27	(1) Offers an associate, bachelor, or graduate degree program; and
28	(2) Is eligible to participate in federal financial aid programs.
31 32	(e) "Prepaid contract" means a contract between the Board and [a purchaser] AN ACCOUNT HOLDER under the provisions of this subtitle for the advance paymer of qualified higher education expenses by the [purchaser] ACCOUNT HOLDER for a qualified beneficiary to attend an eligible institution of higher education, if the qualified beneficiary is admitted to the institution.

- 1 (f) "Market value of program assets" means the amount of cash and cash 2 equivalents held by the [Program] TRUST plus the fair market value of other assets
- 3 of the [Program] TRUST.
- 4 (g) "Plan" means the Maryland College Investment Plan established under
- 5 Subtitle 19A of this title.
- 6 (h) "Program" means the [Maryland Prepaid College Trust established under 7 this subtitle] COLLEGE SAVINGS PLANS OF MARYLAND.
- 8 (i) ["Purchaser"] "ACCOUNT HOLDER" means an individual who:
- 9 (1) Makes or undertakes the obligation to make advance payments of
- 10 qualified higher education expenses as provided under a prepaid contract; and
- 11 (2) Except as provided in § 18-1909(b) of this subtitle, is a resident of
- 12 Maryland or of the District of Columbia at the time that the [purchaser] ACCOUNT
- 13 HOLDER enters into a prepaid contract.
- 14 (j) "Qualified beneficiary" means an individual who:
- 15 (1) Is eligible to apply advance payments of qualified higher education
- 16 expenses to undergraduate or graduate qualified higher education expenses at an
- 17 eligible institution of higher education under the provisions of this subtitle; and
- 18 (2) Except as provided in § 18-1909(b) of this subtitle, is a resident of the
- 19 State or of the District of Columbia at the time that the [purchaser] ACCOUNT
- 20 HOLDER enters into a prepaid contract.
- 21 (k) "Qualified higher education expenses" has the meaning stated in § 529(e)
- 22 of the Internal Revenue Code.
- 23 (l) "Qualified state tuition program" has the meaning stated in § 529 of the
- 24 Internal Revenue Code.
- 25 (m) "TRUST" MEANS THE MARYLAND PREPAID COLLEGE TRUST ESTABLISHED
- 26 UNDER THIS SUBTITLE.
- 27 (N) "Tuition" means the charges imposed by an eligible institution of higher
- 28 education for enrollment at the institution and includes registration and all fees
- 29 required as a condition of enrollment.
- 30 18-1902.1.
- 31 (A) THERE IS A PROGRAM ENTITLED THE COLLEGE SAVINGS PLANS OF
- 32 MARYLAND.
- 33 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FOR THE
- 34 ADMINISTRATION BY THE BOARD OF THE MARYLAND PREPAID COLLEGE TRUST AND
- 35 THE MARYLAND COLLEGE INVESTMENT PLAN AND ANY OTHER QUALIFIED STATE





- 30 MEMBER'S STAFF TO REPRESENT THE MEMBER OF THE BOARD, WITH THE FULL
- VOTING RIGHTS, POWERS, AND DUTIES OF THE MEMBER.
- 32 (E) Before taking office, each appointee to the Board shall take the oath
- 33 required by Article I, § 9 of the Maryland Constitution.

1 2	[(e)] term of a pub	(F) olic mem	(1) ber of the	Except for the terms of the initial members of the Board, the Board is 4 years.
3	required by t	(2) he terms		ns of the public members of the Board are staggered as embers of the Board on October 1, 1998.
5 6	successor is	(3) appointed		nd of a term, a public member continues to serve until a lifies.
7 8	for the remai	(4) nder of the		member who is appointed after a term has begun serves only and until a successor is appointed and qualifies.
9		(5)	A public	e member is eligible for reappointment.
10 11	[(f)] misconduct.	(G)	The Gov	vernor may remove a public member for incompetence or
12	18-1905.			
13 14	(a) and may elec			among the members of the Board, shall elect a chairman ers that the Board considers necessary.
15	(b)	The Boa	ırd shall d	letermine the times and places of meetings.
16	(c)	A memb	per of the	Board:
17		(1)	May not	receive compensation;
18 19	Travel Regu	(2) lations; a		ed to reimbursement for expenses under the Standard State
20 21	the Marylan	(3) d Public		e a public disclosure of financial interests as required under w.
22	(d)	(1)	The Boa	rd:
23 24	executive se	rvice of t	(i) he State	Shall appoint [an] A PROGRAM executive director who is in the Personnel Management System; and
25			(ii)	May employ additional staff in accordance with the budget.
28				Except for employees described in subparagraph (ii) or (iii) of shall be skilled service employees subject to the nel and Pensions Article that govern skilled service
	provisions o service emp			An employee is in the professional service and subject to the nel and Pensions Article that govern professional on:

	science or learning customarily instruction and study; and		Requires knowledge of an advanced type in a field of by a course of specialized intellectual
4 5	degree, or both.	2.	Normally requires a professional license, an advanced
		el and Pe	oyee is in the management service and subject to the nsions Article that govern management
9 10	and management of personnel		Primarily involves direct responsibility for the oversight icial resources;
11 12	judgment; and	2.	Requires the exercise of discretion and independent
13		3.	Is not in the executive service.
14 15	* *	•	etain the services of consultants, administrators, minister the [Program] TRUST or the Plan.
16 17	(4) The budg review by the General Assemb		HE PROGRAM, the Board, and its staff is subject to formation purposes only.
18 19	(e) The Board may act to carry out the provisions of the		regulations that the Board considers necessary le or Subtitle 19A of this title.
20	(f) In addition, the B	oard may	:
21	(1) Adopt ar	n official	seal;
22	(2) Sue and	be sued;	
23	(3) Execute	contracts	and other necessary instruments;
24 25	(4) Hold, bu investments consistent with its		Il instruments, obligations, securities, and other tensive investment plan;
		ties for th	ents with eligible institutions of higher education ne promotion, administration, or marketing of
29	(6) Invest fu	nds not r	equired for immediate disbursement;
			gifts, grants, loans, or other aid from any source or for purposes consistent with this subtitle and
33 34			iew of the General Assembly, impose and collect

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1 OR involving prepaid contracts or transactions affecting the Program, THE TRUST, or 2 the Plan; (9) Procure insurance against any loss of assets of the Program, THE 4 TRUST, or the Plan: (10)Endorse insurance coverage written exclusively for the purpose of 6 protecting [a prepaid contract and the purchaser and qualified beneficiary of the 7 contract;]: A PREPAID CONTRACT UNDER THE TRUST AND THE ACCOUNT 8 9 HOLDER AND THE QUALIFIED BENEFICIARY OF THE CONTRACT; OR 10 (II)AN INVESTMENT ACCOUNT UNDER THE PLAN AND THE 11 ACCOUNT HOLDER AND QUALIFIED DESIGNATED BENEFICIARY OF THE 12 INVESTMENT ACCOUNT. 13 (11)Designate terms under which money may be withdrawn from the 14 Program, THE TRUST, or the Plan; 15 Establish additional procedural and substantive requirements for (12)16 participation in and the administration or marketing of the Program, THE TRUST, or 17 the Plan: 18 (13)Appear on the Board's own behalf before other boards, commissions, 19 or other governmental agencies; and 20 Take any other action that the Board considers appropriate to 21 implement and administer the Program, THE TRUST, or the Plan. 22 18-1905.1. 23 THE BOARD MAY CREATE ADDITIONAL QUALIFIED STATE TUITION (A) 24 PROGRAMS FOR THE PURPOSE OF: 25 PARTNERING WITH A PRIVATE COLLEGE TO ADMINISTER A PREPAID (1) 26 TUITION PROGRAM; 27 (2) CREATING BROKER OR DEALER AGREEMENTS; AND PARTNERING WITH A RETAIL BUSINESS TO OFFER TUITION 28 29 PROGRAMS TO THE EMPLOYEES AND CUSTOMERS OF THE RETAIL BUSINESS.

THE BOARD SHALL ADMINISTER ANY ADDITIONAL QUALIFIED STATE

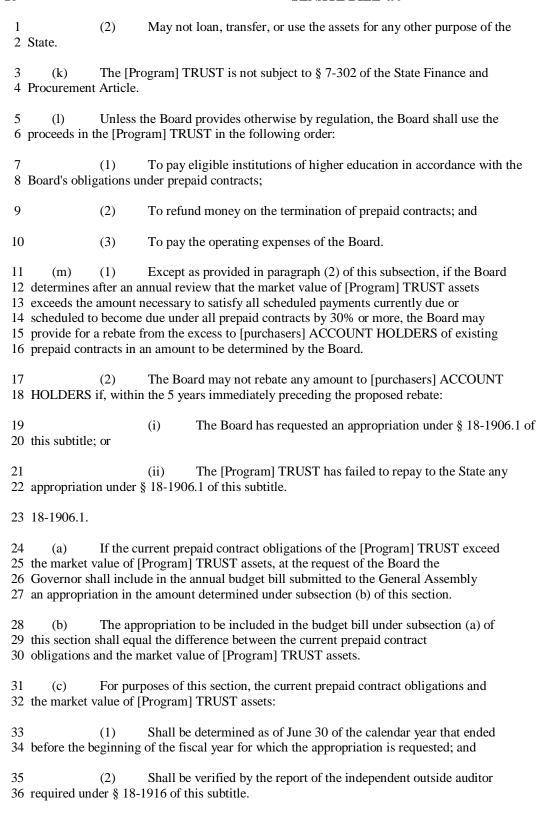
THE BOARD SHALL ADOPT PROCEDURES FOR ANY ADDITIONAL 34 QUALIFIED STATE TUITION PROGRAMS DESCRIBED UNDER SUBSECTION (A) OF THIS 35 SECTION THAT THE BOARD CONSIDERS NECESSARY TO CARRY OUT THE PROVISIONS

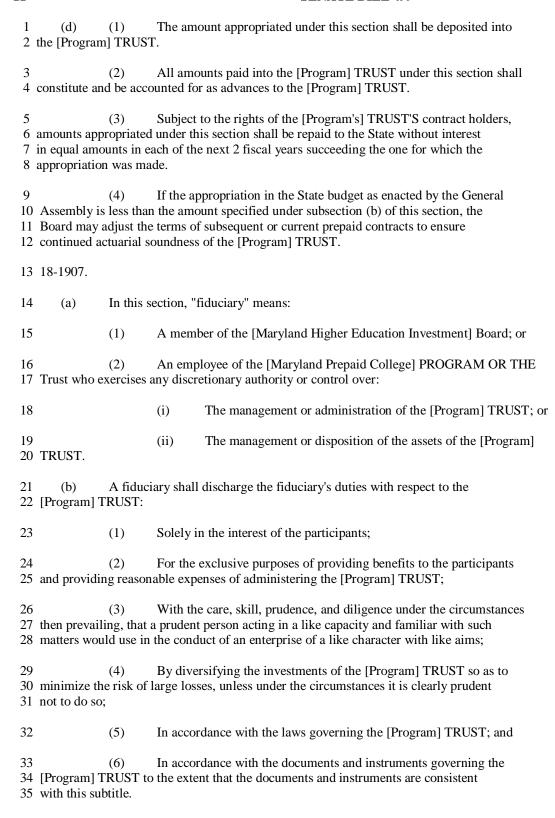
31 TUITION PROGRAMS IN COMPLIANCE WITH INTERNAL REVENUE SERVICE

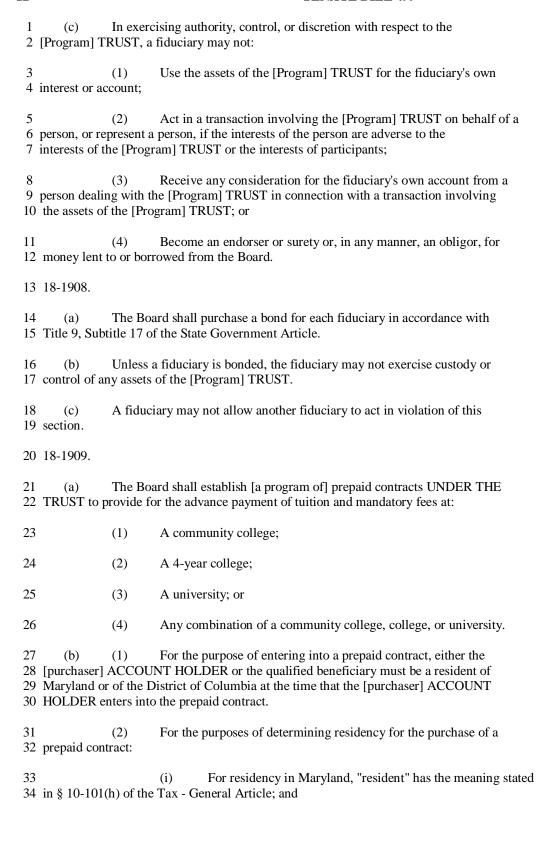
32 STANDARDS FOR QUALIFIED STATE TUITION PROGRAMS.

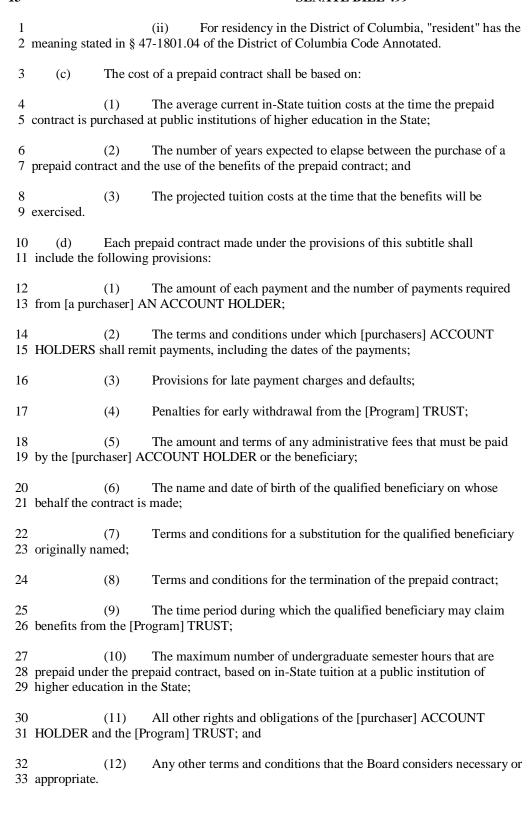
36 OF THIS SUBTITLE OR SUBTITLE 19A OF THIS TITLE.

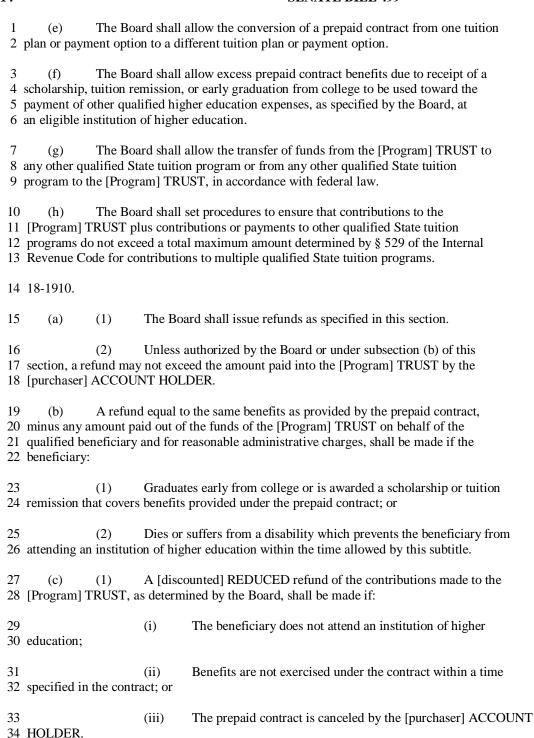
- 1 18-1906.
- 2 (a) The Board shall adopt a comprehensive investment plan for the 3 administration of the [Program] TRUST.
- 4 (b) The plan shall specify the investment policies used by the Board in the 5 administration of the [Program] TRUST.
- 6 (c) Assets of the [Program] TRUST shall be invested in accordance with the 7 comprehensive investment plan.
- 8 (d) The comprehensive investment plan must indicate the percentage of assets
- 9 that shall be held in each class of investment, the amount of funds held in any cash
- 10 pool, the amount of funds held in fixed assets investments, the amount of funds held
- 11 in equity investments, and the percentage and dollar value of assets placed with
- 12 outside managers.
- 13 (e) (1) Notwithstanding any law restricting the deposit or investment of
- 14 State money, the Board may place assets of the [Program] TRUST in savings accounts
- 15 or may use the assets to purchase fixed or variable life insurance or annuity
- 16 contracts, securities, evidence of indebtedness, or other investment products pursuant
- 17 to the comprehensive investment plan.
- 18 (2) Any insurance, annuity contracts, savings, or other investment
- 19 products procured by the Board shall be underwritten and offered in compliance with
- 20 applicable federal and State laws.
- 21 (f) The Board shall make every effort to invest the assets of the [Program]
- 22 TRUST in a manner that earns, at a minimum, sufficient earnings to generate the
- 23 difference between the prepaid amount under prepaid contracts and the average
- 24 in-State tuition costs at public institutions of higher education in the State at the
- 25 time that the benefits are exercised.
- 26 (g) The comprehensive investment plan shall provide for the [Program]
- 27 TRUST to be administered in an actuarially sound manner to assure that the Board
- 28 may defray obligations of the [Program] TRUST.
- 29 (h) The Board shall review the comprehensive investment plan at least
- 30 annually to assure that the [Program] TRUST remains actuarially sound.
- 31 (i) The Board may contract with an investment advisory or management
- 32 company for the investment and management of the [Program] TRUST as long as the
- 33 [Program] TRUST is administered in accordance with the comprehensive investment
- 34 plan.
- 35 (j) The Board:
- 36 (1) Shall preserve, invest, and expend the assets of the [Program]
- 37 TRUST solely for the purposes of this subtitle; and





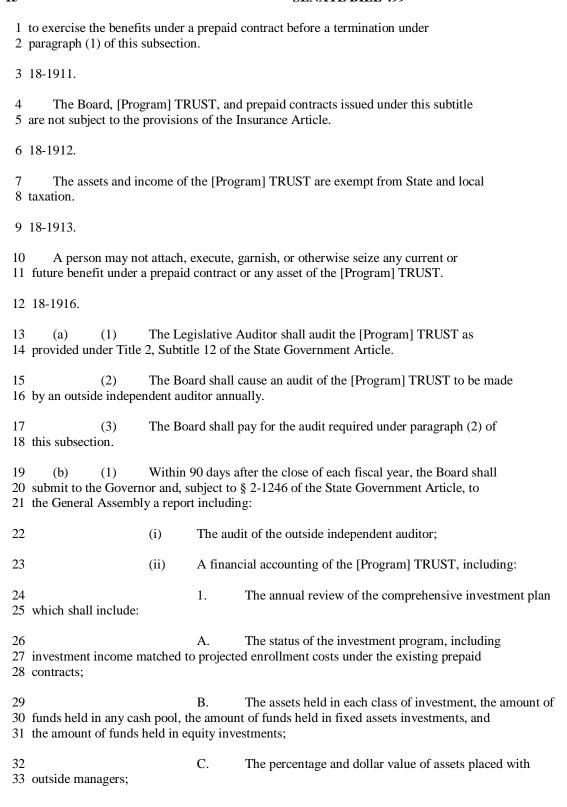






The time that a qualified beneficiary spends in active duty as a

36 member of the United States armed forces shall be added to the time period allowed



1		D.	The income produced by each class of investment; and
2		E.	The income produced by each investment manager; and
			A detailed account of the operating and administrative ch shall include a complete list of revenue line item expenditures for:
6		A.	Salaries, wages, and fringe benefits;
7		B.	Technical and special fees;
8		C.	Communication;
9		D.	Travel;
10		E.	Contractual services;
11		F.	Supplies and materials;
12		G.	Equipment;
13		H.	Fixed charges; and
14		I.	Other expenses.
15 16 previous fiscal year;	(iii)	The nu	mber of prepaid contracts entered into during the
17 18 prepaid contracts; ar	(iv)	Efforts	by the Board in marketing the [Program] TRUST of
19 20 the [Program] TRUS	(v) ST.	Any red	commendations of the Board concerning the operation of
21 (2) 22 HOLDER a copy of 23 at a nominal charge.	a summa		make available to each [purchaser] ACCOUNT report and the option to purchase the full report
25 ACCORDANCE W. 26 ADVANCE PAYM	ITH § 18 ENT OF	-1905.1 (TUITIO	TE TUITION PROGRAM ADOPTED BY THE BOARD IN OF THIS SUBTITLE THAT PROVIDES FOR THE N AT ELIGIBLE INSTITUTIONS OF HIGHER EDUCATION ISIONS OF THIS SECTION.

- NC
- THE AUDIT REQUIRED BY SUBSECTION (A)(2) OF THIS SECTION AND THE 28 (D)
- 29 REPORT REQUIRED BY SUBSECTION (B) OF THIS SECTION MAY BE COMBINED WITH
- 30 ANY OTHER AUDIT OR REPORT FOR THE SAME FISCAL YEAR REQUIRED TO BE
- 31 SUBMITTED BY THE BOARD TO THE GOVERNOR AND THE GENERAL ASSEMBLY.

- 1 18-19A-01.
- 2 (a) In this subtitle the following words have the meanings indicated.
- 3 (b) "ACCOUNT HOLDER" MEANS THE PERSON WHO ESTABLISHED AN
- 4 INVESTMENT ACCOUNT ON BEHALF OF A QUALIFIED DESIGNATED BENEFICIARY.
- 5 (C) "Board" means the [Maryland Higher Education Investment] COLLEGE
- 6 SAVINGS PLANS OF MARYLAND Board established under § 18-1904 of this title.
- 7 [(c) "Contributor" means the person who establishes an investment account on 8 behalf of a qualified designated beneficiary.]
- 9 (d) "Eligible educational institution" has the meaning stated in § 529(e) of the 10 Internal Revenue Code.
- 11 (e) "Investment account" means an account established by [a contributor] AN
- 12 ACCOUNT HOLDER under this subtitle on behalf of a qualified designated beneficiary
- 13 for the purpose of applying distributions toward qualified higher education expenses
- 14 at eligible educational institutions.
- 15 (f) "Qualified designated beneficiary" has the meaning stated in § 529(e) of 16 the Internal Revenue Code.
- 17 (g) "Qualified higher education expenses" has the meaning stated in § 529(e)
- 18 of the Internal Revenue Code.
- 19 (h) "Qualified state tuition program" has the meaning stated in § 529 of the
- 20 Internal Revenue Code.
- 21 (i) "Plan" means the Maryland College Investment Plan established under
- 22 this subtitle.
- 23 18-19A-02.
- 24 (a) There is a Maryland College Investment Plan.
- 25 (b) The purpose of the Plan is to allow contributions to an investment account
- 26 established for the purposes of meeting the qualified higher education expenses of the
- 27 qualified designated beneficiary of the account.
- 28 (c) (1) The Board shall administer, manage, promote, and market the Plan.
- 29 (2) The Board shall administer the Plan in compliance with Internal
- 30 Revenue Service standards for qualified State tuition programs.
- 31 (d) The Board shall adopt procedures that the Board considers necessary to
- 32 carry out the provisions of this subtitle.
- 33 (e) The Board shall adopt procedures relating to:

1		(1)	Application procedures for participation in the Plan;
2 3	with these co	(2) osts to be	Start-up costs incurred by the State for the development of the Plan reimbursed to the State by the Plan;
4 5	remaining [c	(3) ontributo	Early withdrawals, so that there will be no major detriment to the rs] ACCOUNT HOLDERS in the Plan; and
	programs and with federal		Transfer of funds from the Plan to other qualified State tuition her qualified State tuition programs to the Plan in accordance
11	accounting f	account] . for each c	annually, the Board shall issue to each [contributor to an ACCOUNT HOLDER a statement that provides a separate qualified designated beneficiary providing the following sect to each account:
13		(1)	The beginning balance;
14		(2)	Contributions to the account;
15		(3)	Withdrawals from the account during the previous year; and
16		(4)	Ending investment account value.
17	18-19A-04.		
18 19	(a) benefit from		and resident or a nonresident of Maryland may participate in and .
20 21	(b) education ex		tions from the Plan may be used only for qualified higher
22 23	(c) investment a		shall be disbursed to the [contributor] ACCOUNT HOLDER of the
24	18-19A-05.		
27	power of the	e State is	The debts, contracts, and obligations of the Plan are not the oligations of the State and neither the faith and credit nor taxing pledged directly or indirectly or contingently, morally or ment of the debts, contracts, and obligations.
31	the debts and	d obligati	The Board cannot directly or indirectly or contingently obligate, the State to levy or pledge any form of taxation whatsoever for ions of the Plan or to make any appropriation for the payment of ions of the Plan.
33 34	(b) any losses of		the State nor any eligible educational institution shall be liable for e of funds in the event that the [contributor's] ACCOUNT

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	OLDER'S investment account balance is insufficient to meet the tuition equirements of an institution attended by the qualified designated beneficiary.
3 4	(c) Moneys of the Plan may not be considered moneys of the State or deposited a the State Treasury.
5 6	(d) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Prepaid College Trust.
7	8-19A-05.1.
8 9	THE BOARD, PLAN, AND INVESTMENT ACCOUNTS ISSUED UNDER THIS UBTITLE ARE NOT SUBJECT TO THE PROVISIONS OF THE INSURANCE ARTICLE.
10	8-19A-06.1.
	A PERSON MAY NOT ATTACH, EXECUTE, GARNISH, OR OTHERWISE SEIZE ANY CURRENT OR FUTURE BENEFIT UNDER AN INVESTMENT ACCOUNT OR ANY ASSET OF THE PLAN.
14	8-19A-07.
15 16	(a) (1) The Legislative Auditor shall audit the Plan as provided under Title 2, Subtitle 12 of the State Government Article.
17 18	(2) The Board shall obtain an annual audit report from service providers.
	(b) (1) Within 90 days after the close of each fiscal year, the Board shall submit to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly a report including:
22	(i) A financial accounting of the Plan, including:
23	1. An annual review of the Plan which shall include:
24	A. The status of the investment program;
25	B. The assets held in each class of investment;
26 27	C. The percentage and dollar value of assets placed with outside managers;

D.

E.

F.

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The income produced by each class of investment;

The income produced by each investment manager;

The total deposits into the Plan for the past year; and

The total withdrawals from the Plan for the past year; and

1 2 budget for the 3 expenditures de			A detailed account of the operating and administrative de a complete list of revenue sources and ependitures for:	
4		A.	Salaries, wages, and fringe benefits;	
5		B.	Technical and special fees;	
6		C.	Communication;	
7		D.	Travel;	
8		E.	Contractual services;	
9		F.	Supplies and materials;	
10		G.	Equipment;	
11		H.	Fixed charges; and	
12		I.	Other expenses;	
13 14 ACCOUNT H	(ii) IOLDERS duri		umber of new [contributors to investment accounts] revious fiscal year;	
15	(iii)	Effort	s in marketing the Plan; and	
16 17 the Plan.	(iv)	Any re	ecommendations of the Board concerning the operation of	
18 (2) The Board shall make available to each [contributor to an 19 investment account] ACCOUNT HOLDER a copy of a summary of the report and the 20 option to purchase the full report at a nominal charge.				
22 ACCORDANG 23 ESTABLISHN 24 QUALIFIED	CE WITH § 18 MENT OF INV HIGHER EDU	8-1905.1 /ESTME CATIO	TE TUITION PROGRAM ADOPTED BY THE BOARD IN OF THIS TITLE THAT PROVIDES FOR THE ENT ACCOUNTS FOR THE PURPOSES OF MEETING THE N EXPENSES OF A QUALIFIED DESIGNATED WITH THE PROVISIONS OF THIS SECTION.	
27 REPORT REC 28 DISCRETION	QUIRED BY S I, MAY BE CO	UBSEC'	ED BY SUBSECTION (A)(2) OF THIS SECTION AND THE TION (B) OF THIS SECTION, AT THE BOARD'S ED WITH ANY OTHER AUDIT OR REPORT FOR THE SAME	

29 FISCAL YEAR REQUIRED TO BE SUBMITTED BY THE BOARD TO THE GOVERNOR AND

30 THE GENERAL ASSEMBLY.

1	Article - State Government	
2	0-616.	
3	(a) Unless otherwise provided by law, a custodian shall deny inspection of a ublic record, as provided in this section.	
5 6	(n) (1) Subject to paragraph (2) of this subsection, a custodian shall deny aspection of any record disclosing:	
	(I) the name of [a purchaser] AN ACCOUNT HOLDER or qualified eneficiary of a [higher education investment] PREPAID contract under Title 18, bubtitle 19 of the Education Article; AND	
	(II) THE NAME OF AN ACCOUNT HOLDER OR QUALIFIED DESIGNATED BENEFICIARY OF AN INVESTMENT ACCOUNT UNDER TITLE 18, SUBTITLE 19A OF THE EDUCATION ARTICLE.	
13	(2) A custodian:	
14	(i) shall permit inspection by a person in interest; and	
17	(ii) may release information to an eligible institution [designated n a higher education investment contract in accordance with regulations of the Maryland Higher Education Investment Program Board.] OF HIGHER EDUCATION DESIGNATED:	
	1. BY AN ACCOUNT HOLDER OF A PREPAID CONTRACT OF QUALIFIED BENEFICIARY UNDER TITLE 18, SUBTITLE 19A OF THE EDUCATION ARTICLE; OR	₹
22 23	2. BY AN ACCOUNT HOLDER OR QUALIFIED DESIGNATED BENEFICIARY UNDER TITLE 18, SUBTITLE 19A OF THE EDUCATION ARTICLE.	
24 25	Chapter 110 of the Acts of 1997, as amended by Chapter 494 of the Acts of 2000	
28 29 30 31 32 33	SECTION 5. AND BE IT FURTHER ENACTED, That the totality of the marketing efforts undertaken by the [Maryland Higher Education Investment] COLLEGE SAVINGS PLANS OF MARYLAND Board to market the Maryland Prepaid College Trust AND THE MARYLAND COLLEGE INVESTMENT PLAN must include full disclosure that the contract entered into under the provisions of this Act does not guarantee that the earnings of the assets invested in the [Program] TRUST OR THE PLAN will generate the difference between the projected costs of [tuition under the contract] THE QUALIFIED HIGHER EDUCATION EXPENSES and the actual costs at the time of enrollment.	

1	Chapter 111 of the Acts of 1997, as amended by Chapter 494 of the Acts of
2	2000

- 3 SECTION 5. AND BE IT FURTHER ENACTED, That the totality of the
- 4 marketing efforts undertaken by the [Maryland Higher Education Investment]
- 5 COLLEGE SAVINGS PLANS OF MARYLAND Board to market the Maryland Prepaid
- 6 College Trust AND THE MARYLAND COLLEGE INVESTMENT PLAN must include full
- 7 disclosure that the contract entered into under the provisions of this Act does not
- 8 guarantee that the earnings of the assets invested in the [Program] TRUST OR THE
- 9 PLAN will generate the difference between the projected costs of [tuition under the
- 10 contract] THE QUALIFIED HIGHER EDUCATION EXPENSES and the actual costs at the
- 11 time of enrollment.
- 12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
- 13 construed to apply to all prepaid contracts purchased and investment accounts
- 14 opened before the effective date of this Act.
- 15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take 16 effect July 1, 2003.